

# Bangladesh C-Bank Outlaws Cryptocurrency Transactions

The central bank of Bangladesh has published a circular that warns citizens Bitcoin and other cryptocurrencies are illegal.



by Anatol Antonovici , 28 December



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The central bank of Bangladesh has **published** a warning notice on its official website, reminding that Bitcoin is not an authorized currency and does not have any legal status. The bank instructs citizens to stop making online transactions with

Bitcoin and other cryptocurrencies. However, the circular does not explain if or how Bitcoin traders would be punished.

The regulator says in its notice it has received reports that people in Bangladesh have carried out transactions in cryptocurrencies like Bitcoin, Litecoin, and Ethereum through crypto exchanges. As a result, the central bank has decided to take a stance.

“Transaction with this currency [Bitcoin] may cause a violation of the existing money laundering and terrorist financing regulations,” according to the publication.

The warning notice also says that the Foreign Exchange Regulation Act of 1947 does not accept the use of digital currencies, while transactions in Bitcoin, especially with anonymous persons, might contravene the Money Laundering Prevention Act of 2012.

The central bank also warns Bangladeshi citizens that the use of cryptocurrencies carries much financial and legal risk. The notice adds:

“In this situation, the people are requested not to make transactions in virtual currencies like Bitcoin, or promote these or help others make such transactions in order to avoid possible financial and legal risks.”

Shubhankar Saha, a spokesperson for the central bank, **told** local news portal bdnews24.com that the institution had taken this step so that “no one makes transactions in cryptocurrencies under any circumstances.”

Bangladeshi analyst Ahsan Mansur believes that central banks around the world are making little effort to stop this “gambling,” which could “put the global financial system at risk.”

“But there is a problem. Even countries like the US allow gambling. Millions of dollars are transacted in the casinos there. I don’t know how much keen they will be to stop this (Bitcoin),” Mansur noted.

It seems that the crypto community in Bangladesh has been an outsider for years. For instance, a Reddit user **wrote** two years ago:

“I am from Bangladesh, we get into jail for bitcoin, I have some questions.”

Bangladesh is not the only Asian country with misgivings about cryptocurrency. In fact, the majority of central banks in the region **have expressed** their concerns over Bitcoin.

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